

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3356 - SB 3325

February 16, 2010

SUMMARY OF BILL: Requires the Alcoholic Beverage Commission (ABC) to conduct criminal background checks, including fingerprint analysis, on all persons requesting permits to sale alcoholic beverages. Any required background check will be paid for by the applicant and conducted by the Tennessee Bureau of Investigation (TBI), the Federal Bureau of Investigation (FBI), other law enforcement agency, or any other legally authorized entity.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$200,200

Increase State Expenditures – \$200,200

Assumptions:

- According to ABC, approximately 5,000 new license applications and renewals are filed each year for wineries, wholesalers, retailers, and manufacturer/distillers. Server and employee permit licenses are valid for five years. There are 23,000 server and employee permit licenses in Tennessee. Each year, 4,600 licenses will be filed for server and employee permit applications resulting in 9,600 total license applications each year.
- According to ABC, background checks are not currently being conducted for any license applications.
- ABC will not require additional personnel or resources to include background checks within a license application.
- According to TBI, the cost to conduct a criminal background check with fingerprints is \$48.00 per check including a \$17.25 fee to the FBI and a \$9.90 Cogent ID fee resulting in total revenue to the state of \$20.85 per application. The fees assessed for background checks would be paid by applicants at the time of their application resulting in an increase in state revenues of \$200,160 (\$20.85 x 9,600 applications).

HB 3356 - SB 3325

- There is a cost to TBI of \$20.85 to complete an electronic background and fingerprint check resulting in an increase in state expenditures of \$200,160 ($\$20.85 \times 9,600$ applications).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/agl